

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7908

BILL NUMBER: SB 339

DATE PREPARED: Feb 8, 2001

BILL AMENDED: Feb 8, 2001

SUBJECT: Environmental Remediation Revolving Loan Fund.

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill transfers \$10,000,000 from the Build Indiana Fund to the Environmental Remediation Revolving Loan Fund as follows: (1) \$5,000,000 on July 1, 2001; and (2) \$5,000,000 on July 1, 2002. The bill transfers \$10,000,000 from the Underground Petroleum Storage Tank Excess Liability Trust Fund to the Environmental Remediation Revolving Loan Fund as follows: (1) \$5,000,000 on July 1, 2001; and (2) \$5,000,000 on July 1, 2002. The bill also corrects a reference in the Environmental Remediation Revolving Loan Program Law.

Effective Date: July 1, 2001.

Explanation of State Expenditures: (Revised) This bill transfers \$10,000,000 from the Build Indiana Fund to the Environmental Remediation Revolving Loan Fund as follows: (1) \$5,000,000 on July 1, 2001; and (2) \$5,000,000 on July 1, 2002.

Background: Under the current statute, surplus lottery revenue is first transferred to the Teachers' Retirement Fund (TRF) and the Pension Relief Fund (PRF). Once these transfers are made, surplus lottery revenue is then distributed to the Lottery and Gaming Surplus Account (LGSA) within the Build Indiana Fund.

The LGSA also receives surplus gaming revenues (revenues from the Riverboat Wagering Tax, the Parimutuel Wagering Tax, and the Charity Gaming Excise Tax). A statutorily determined amount of revenue in the LGSA is transferred each year to the Motor Vehicle Excise Tax Replacement Account (MVETRA) within the State General Fund. (Beginning with FY 2002 and continuing each year thereafter, this amount is equal to approximately \$236.2 M.) The remaining money in the LGSA is then transferred to the State and Local Capital Projects Account (SLCPA). The table below outlines the actual and estimated lottery and gaming revenue for FY 2000 to FY 2003, along with the required statutory distributions.

Surplus Lottery and Gaming Revenue & Distributions (Millions)

Revenues & Distributions	FY 2000 (Actual)	FY 2001 (Projected)	FY 2002 (Projected)	FY 2003 (Projected)
Surplus Lottery Revenue	\$173.3	\$167.0	\$167.0	\$167.0
TRF Transfer	(\$30.0)	(\$30.0)	(\$30.0)	(\$30.0)
PRF Transfer	(\$30.0)	(\$30.0)	(\$30.0)	(\$30.0)
Surplus Lottery Revenue to the LGSA	\$113.3	\$107.0	\$107.0	\$107.0
Surplus Gaming Revenue to the LGSA	\$252.5	\$256.6	\$256.6	\$256.6
Interest	\$18.1	\$14.0	\$14.0	\$14.0
Total Revenue to LGSA	383.9	377.6	377.6	377.6
MVETRA Transfer	(\$219.8)	(\$234.7)	(\$236.2)	(\$236.2)
Balance after MVETRA Transfer	\$164.1	\$142.9	\$141.4	\$141.4
Proposed Transfer	N/A	N/A	\$5.0	\$5.0
Balance after Proposed Transfer	N/A	N/A	\$136.4	\$136.4
Current SLCPA Transfer	(\$164.1)	(\$142.9)	(\$141.4)	(\$141.4)
SLCPA Transfer Under Proposal	(\$164.1)	(\$142.9)	(\$136.4)	(\$136.4)

The balance of the BIF as of June 30, 2000, was \$342.1 M.

The bill also transfers \$10,000,000 from the Underground Petroleum Storage Tank Excess Liability Trust Fund (ELTF) to the Environmental Remediation Revolving Loan Fund as follows: (1) \$5,000,000 on July 1, 2001; and (2) \$5,000,000 on July 1, 2002. According to the Budget Agency and the Auditor's Office, the fund had a cash balance of \$8,851,723 as of 6/30/00 with \$69,999,660 in investments. According to IDEM, the ELTF is expected to bring in \$26,000,000 annually in FY 01, FY02 , and FY03. Expenses are estimated to be \$21million annually in FY 01, FY 02, and again in FY 03. Obligations as of 6/30/00 are \$1.9 million. There would be sufficient funds in the ELTF, if investments are included, to cover the transfers.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Additional funding may be available for local units to receive from the Environmental Remediation Revolving Loan Fund.

State Agencies Affected: Auditor of State.

Local Agencies Affected: Entities seeking loans from the Environmental Remediation Revolving Loan Fund.

Information Sources: Auditor of State, State Budget Agency, and IDEM.